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PRESS RELEASE

Stubborn as a mule-hunter: Lloyds Bank cracks down on money mules

- **44% increase in money mules identified by Lloyds Bank's mule-hunting team over the past year**
- **Young people continue to be targeted, with 58% of money mules aged between 19 and 40**
- **Dramatic increase (+73%) in money mule accounts held by the over 40s**
- **Number of money mules grew most in Wales, by 104% in the past year**
- **Lloyds Bank has seized more than £114m from money mules since 2018**
- **Fraud Prevention Director Liz Ziegler says "Do not do it under any circumstances, it's not worth risking your own future."**

New data from Lloyds Bank's expert money mule-hunting team shows the number of money mules found rose by 44% over the past year, as the bank continued to invest in the latest mule-spotting technology and techniques.

A money mule is someone who transfers or moves illegally acquired money on behalf of someone else. Scammers, often using social media to find their victims, recruit people to move money in this way, offering a cut of the cash to do so. They also intentionally target previously law-abiding people who opened, and are using, their bank accounts legitimately, to try and avoid detection.

The money being moved through these accounts has often been stolen in other scams. The criminals' recruitment tactics vary – many frame the movement of cash as a legitimate job or an investment scheme, meaning victims are almost always unaware of the illegal activity they are undertaking. Some victims are drawn in by



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family members or friends, who have already been recruited and are also unaware they're acting as money mules.

Lloyds Bank's mule-hunting team, made up of specialist fraud investigators trained in behavioural analysis and pattern spotting, use state-of-the-art technology to scan the millions of legitimate payments made each day by its customers, to identify changes in the way accounts are used, to find money mule activity.

When a mule is identified, their account (or accounts) will be immediately frozen. In total, the mule-hunting team have uncovered more than 160,000 mule accounts and stopped more than £114 million from getting into the hands of fraudsters - in real-time - since the team was set up in 2018.

No ageism when it comes to choosing victims

Young people, especially students, can be short on cash so it's no surprise that fraudsters frequently target them for mule recruitment. Lloyds Bank data shows nearly a quarter (24%) of money mule accounts belong to customers aged 19 to 25 and over half (58%) belong to a customer aged between 19 and 40.

However, in recent years, there has been an increase in older people becoming money mules. The latest Lloyds Bank data shows 19% of money mule accounts are held by customers over 40, a growth of an astonishing 73% over the last year.

Not just the money changing locations

Nearly a quarter of frozen money mule accounts were held by people living in Greater London (22%). Other areas of the UK have seen large increases in the number of money mules identified.

Region or nation	Top three areas for frozen money mule accounts (as a % of all)*
Greater London	22%



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North West	14%
West Midlands	13%

Region or nation	Top three areas of growth in frozen money mule accounts * (%)
Wales	+104%
East of England	+75%
South East	+70%

*12 months to July 2024 compared to 12 months to July 2023

Unknown criminal

Most money mules are completely in the dark about their recruitment, as they've been tricked by scammers, or sometimes recruited by people they know (who may also not be aware of their money mule status, having been tricked themselves at an earlier time.) Whether knowingly or not, acting as a money mule is always against the law and **can lead to serious consequences:**

- Up to 14 years in prison.
- Prevented from opening a bank account for up to six years.
- Listed on the national fraud database (CIFAS).
- An impact on credit prospects, meaning they might not be able to get a mortgage, loan or even phone contract.

Liz Ziegler, Fraud Prevention Director at Lloyds Bank, said:

"Acting as a money mule is a serious crime and can lead to life changing consequences. It's vital that people are aware of these money laundering schemes and how easy it is to be lured in."

"Criminals are very good at making their illegal activities look like a real job opportunity and at tricking people into"





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unknowingly recruiting family members and friends into becoming money mules.

“Fraudsters will keep the illusion of legitimacy up until the mule gets caught, then disappear, leaving the mule to deal with the fallout of unintentionally laundering money.

“While the realisation that you’ve mistakenly helped a fraudster clean their dirty money would be devastating for anyone, when it comes to mules, it won’t save them from the consequences, which can be extremely serious.

“Always remember – no legitimate company or person will ever ask you to use your bank account to receive and transfer their money. Do not do it under any circumstances, it’s not worth risking your own future by doing so.”

Avoid becoming a money mule:

- Never receive and send money through your account on behalf of others or give anyone control of your account to do so themselves.
- Remember no legitimate company or investment scheme will ask you to use your own bank account to transfer their money.
- Be cautious of unsolicited offers promising easy money, especially on social media, which is a key ‘hunting ground’ for mule recruiters.
- Remember it’s not just strangers that can fool you into becoming a money mule – if a friend or family member unexpectedly asks you to accept or move money for them, ask plenty of questions so you can be sure you understand why they need your help. If in doubt as to where funds have come from, don’t take the risk.

Case study

This is a real-life example of how a young person unknowingly became a money mule. Names have been changed to protect the identity of the individual.

James’ story



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James, an apprentice, was followed on Instagram by an account he was unfamiliar with. The account posted about an investment opportunity, suggesting people could make returns in the tens of thousands with an initial investment of just a few hundred pounds. James replied to the account's post, asking for more information.

James was told that he could make large profits by buying Bitcoin. He had never done anything like this before but agreed to invest £200 initially through a Bitcoin app, with the owner of the Instagram account acting as his 'mentor'.

James was then told to invest a further amount, which would give him an access code for withdrawing profits from the account, which had grown to £3,900. James was told the access code would be available once he invested a further c.£900.

James didn't have that sort of money, so asked for his initial investment back. His mentor said he could instead pay £200 for the access code and that the mentor himself would pay James £700 to cover the rest of the total needed for the access code – meaning James received £700 from his mentor which he in turn then transferred on.

James continued to follow instructions sent to him via Instagram, sending and receiving more funds over the next few days. When he asked to release the so-called profits from his 'investment' he was again told he would need to transfer more money to do so. At this point James began to realise he may have fallen victim to a scam.

Within two weeks of James' first payment, he received a letter from his main banking provider (not Lloyds Bank), saying his account had been frozen while it reviewed his recent activity. A few weeks later, he was told that his main account had been closed with immediate effect. Lloyds Bank, who James also held an account with, also got in touch to say his account would be closed.

James couldn't understand why his accounts were being closed, as he didn't believe he had done anything wrong. However – despite not being aware he was doing it – James had been correctly flagged as a third-party fraud facilitator, more commonly known as a 'money mule.'



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With a fraud marker against his name for six years, James is now unable to open a new bank account or have access to any lending, including loans, credit cards or mobile phone contracts.

Ends

Notes to editors

Figures based on analysis of relevant accounts of Lloyds Banking Group customers between August 2022 and July 2024. Year on year comparisons are 12 months rolling ending July 2024.

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